

GAO

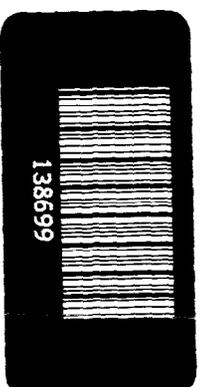
United States General Accounting Office

Fact Sheet for the Chairman,
Subcommittee on Defense, Committee on
Appropriations, House of Representatives

May 1989

ADP BUDGET

Department of the Navy's Information Technology Systems Obligations



**Information Management and
Technology Division**

B-231233

May 22, 1989

The Honorable John P. Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

On October 19, 1988, your predecessor asked us to review the Department of Defense fiscal year 1990 budget request for automated data processing resources to assist the Subcommittee in its budget deliberations. As part of this request, we agreed on January 11, 1989, to provide your office with budget information from four Defense Reports on Obligations for Information Technology Systems. This report provides Department of the Navy budget information.

Our information comes from the Navy's reports for fiscal years 1987, 1988/1989, amended 1988/1989, and 1990/1991. They are required by Office of Management and Budget Circular A-11, Preparation and Submission of Budget Estimates. As specified in the circular, they show the Navy's obligations for information technology activities by fiscal year distributed among such categories as capital investment,¹ personnel, rental and other, and commercial services. The obligation reports also distribute obligations among appropriation accounts—such as Other Procurement, Navy; Operation and Maintenance, Navy; and Research, Development, Test, and Evaluation, Navy.

Appendixes I-III depict Navy information technology obligations over 5 years, fiscal years 1986-1990. Appendix I shows total information technology obligations, which have increased slightly since fiscal year 1986. Appendix II, which shows these obligations distributed by appropriation account, indicates that most obligations are from the Operation and Maintenance, Navy account. The first figure in appendix III shows that capital investment obligations have decreased, while personnel obligations have increased. To distinguish equipment lease obligations from the total rental and other category, figure III.2 contains a detailed break-out of obligations for equipment leases, space leases, and supplies. This figure shows that equipment lease obligations have decreased, while obligations for supplies have increased. Appendix III also shows capital

¹Capital investment includes obligations incurred for computer equipment, software, and site preparation.

investment obligations and Other Procurement, Navy obligations to indicate potential procurement funding for capital investment purchases. Over half the capital investment obligations come from sources other than procurement funds.

We compared original obligation estimates and actual obligations for fiscal years 1987 and 1988 only. These comparisons are shown in appendixes IV and V, respectively. Actual fiscal year 1987 obligations exceeded the original fiscal year 1987 estimated obligations, while the opposite occurred for fiscal year 1988. Finally, appendix VI shows the actual data extracted for this report.

Our work was conducted in February and March 1989. We discussed the contents of this fact sheet with an Office of the Secretary of Defense representative and incorporated his views where appropriate.

We are providing copies of this report to the Chairmen, House and Senate Committees on Appropriations; the Chairmen, House and Senate Committees on Armed Services; the Chairman, House Committee on Government Operations; and the Chairman, Senate Committee on Governmental Affairs. We are also providing copies to the Secretary of Defense; the Secretary of the Navy; and the Director, Office of Management and Budget. We will make copies available to other interested parties upon request.

This report was prepared under the direction of William S. Franklin, Associate Director. Other major contributors are listed in appendix VII.

Sincerely yours,



Ralph V. Carlone
Assistant Comptroller General

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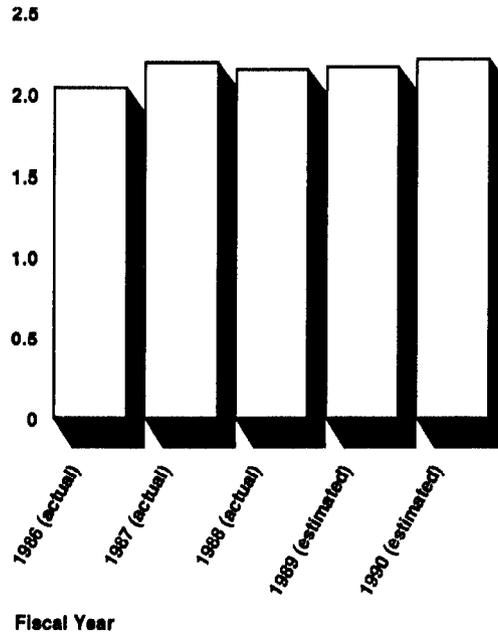
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Abbreviations

GAO General Accounting Office
IMTEC Information Management and Technology Division

Information Technology Obligations by Fiscal Year

3.0 Total Obligations (Dollars in Billions)

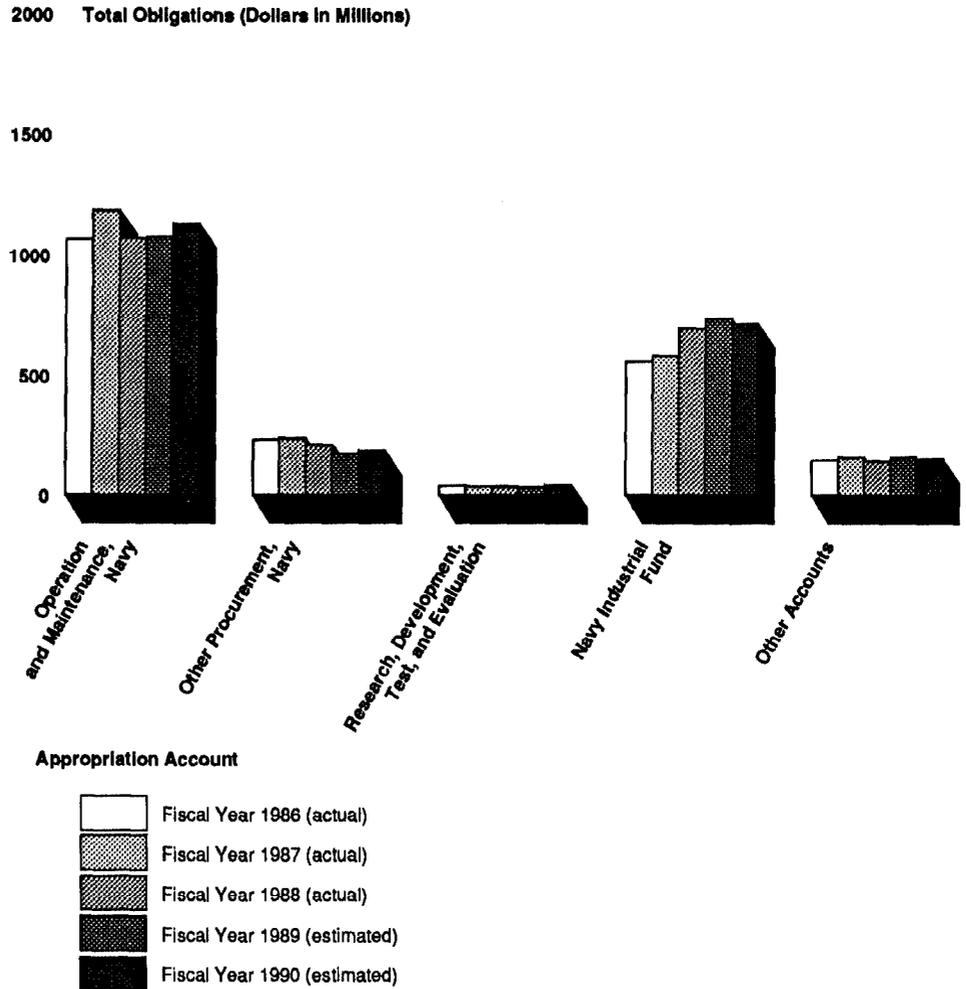


Obligations shown in this and subsequent appendixes are from the following information technology systems obligations reports:

- Fiscal year 1986 actual obligations are from the fiscal year 1988/1989 report.
- Fiscal year 1987 actual obligations are from the amended fiscal year 1988/1989 report.
- Fiscal year 1988 actual obligations, and fiscal year 1989 and 1990 estimated obligations are from the fiscal year 1990/1991 report.

Information Technology Obligations by Appropriation Account

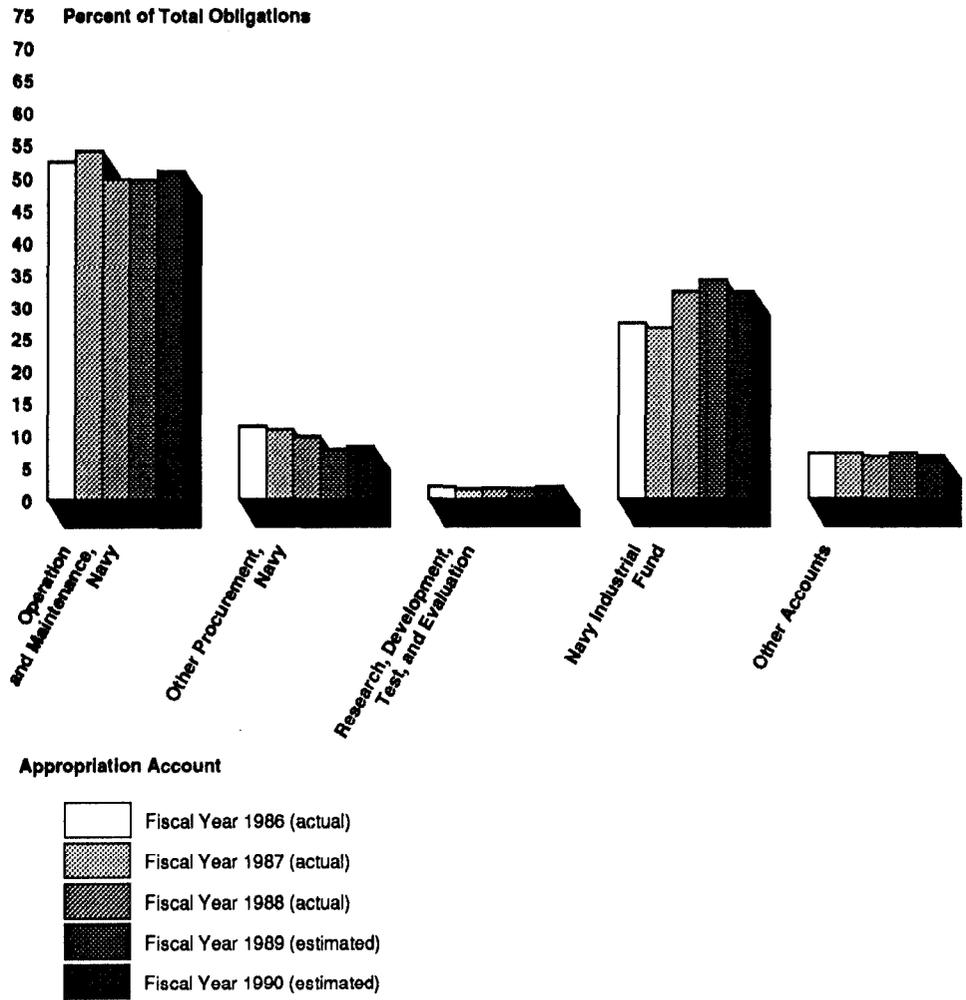
Figure II.1: Information Technology Obligations by Appropriation Account



Other accounts include Operation and Maintenance, Navy Reserve; Military Personnel, Navy; Military Construction, Navy; and Family Housing, Navy.

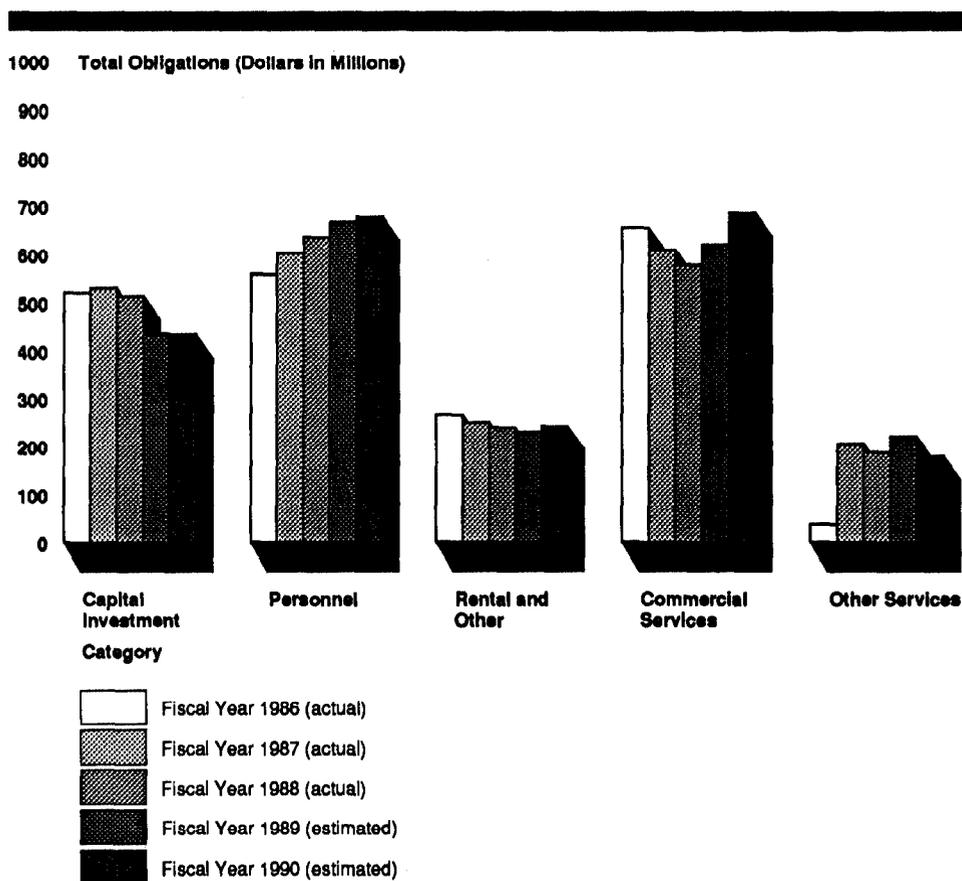
**Appendix II
Information Technology Obligations by
Appropriation Account**

**Figure II.2: Percentage of Information
Technology Obligations by Appropriation
Account**



Information Technology Obligations by Category

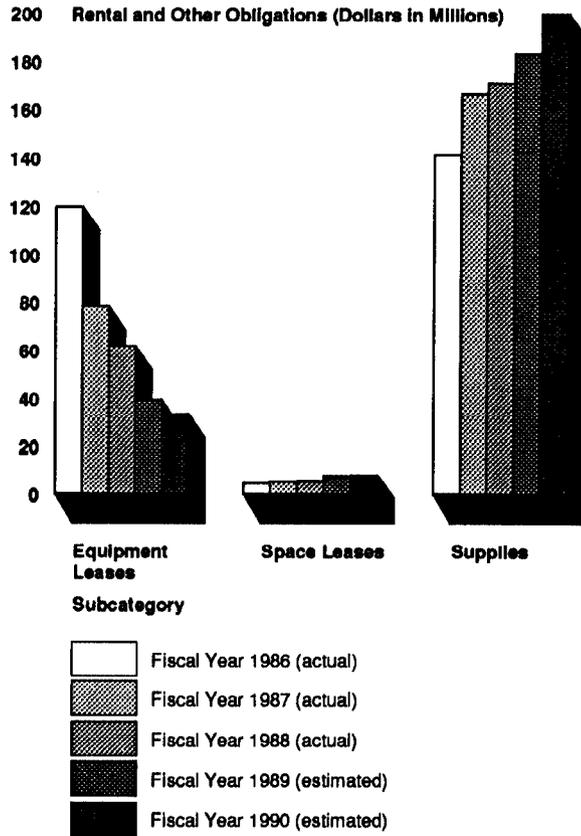
Figure III.1: Information Technology Obligations by Category



Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

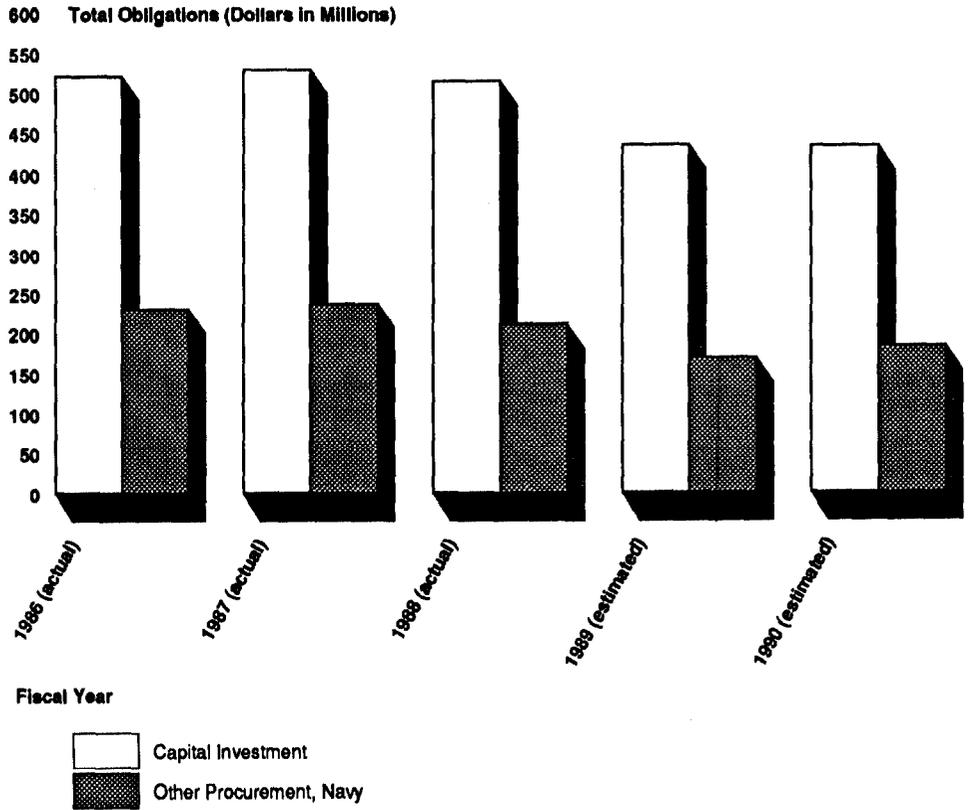
**Appendix III
Information Technology Obligations
by Category**

**Figure III.2: Information Technology
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Subcategory**



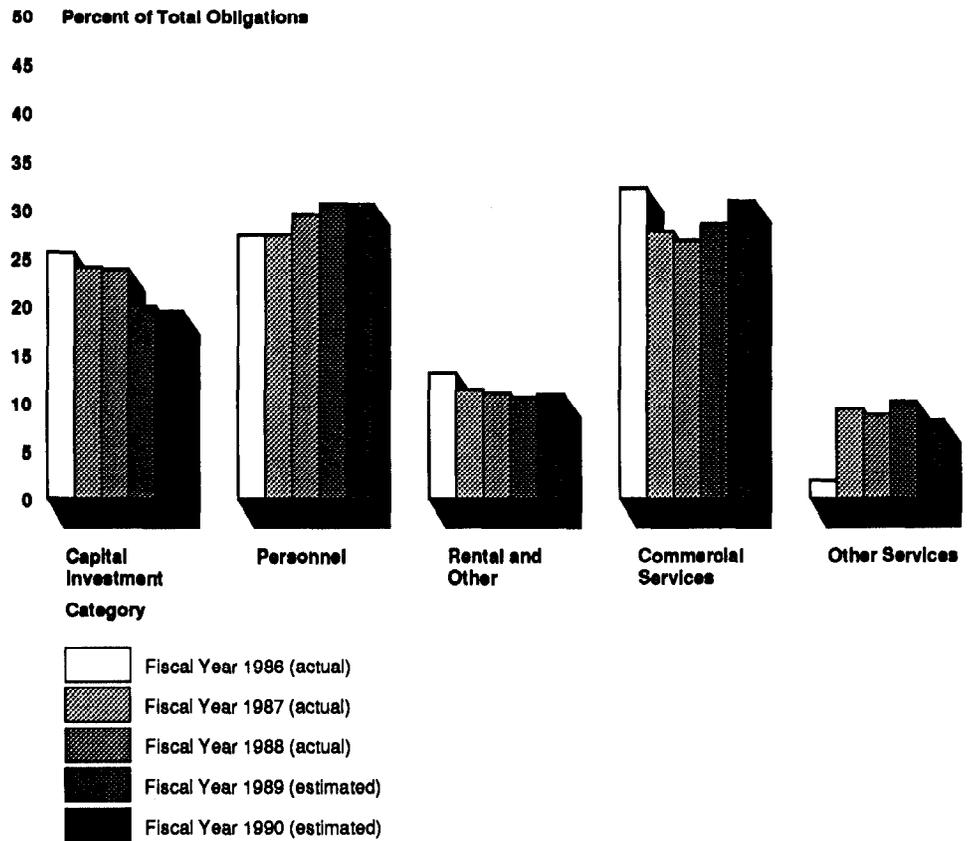
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Figure III.3: Information Technology
Obligations for Capital Investments and
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Appendix III
 Information Technology Obligations
 by Category

Figure III.4: Percentage of Information Technology Obligations by Category



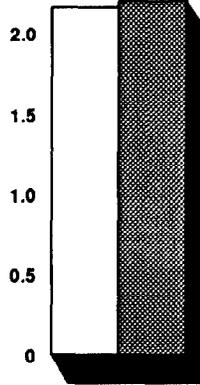
Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

Fiscal Year 1987 Obligations

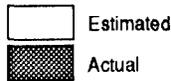
Figure IV.1: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1987

Total Obligations (Dollars in Billions)
3.0

2.5

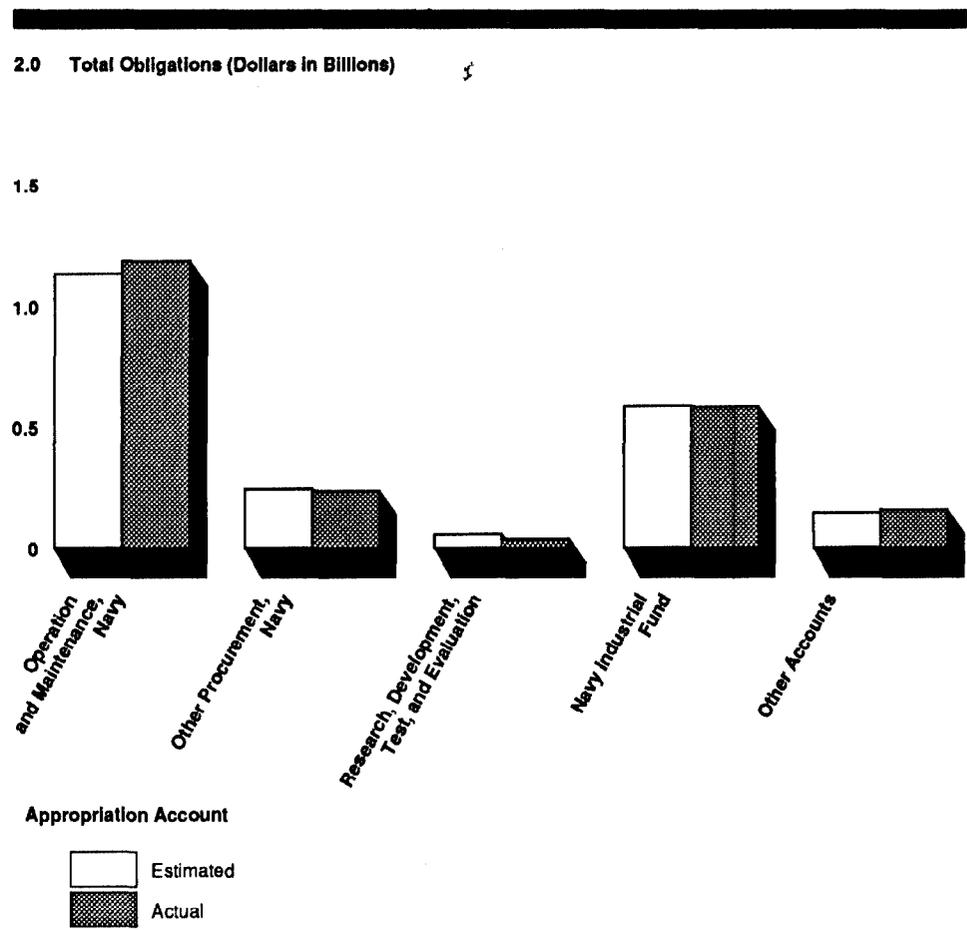


Fiscal Year 1987



Estimated fiscal year 1987 obligations are from the fiscal year 1987 report on information technology obligations. Actual fiscal year 1987 obligations are from the amended fiscal year 1988/1989 report on information technology obligations.

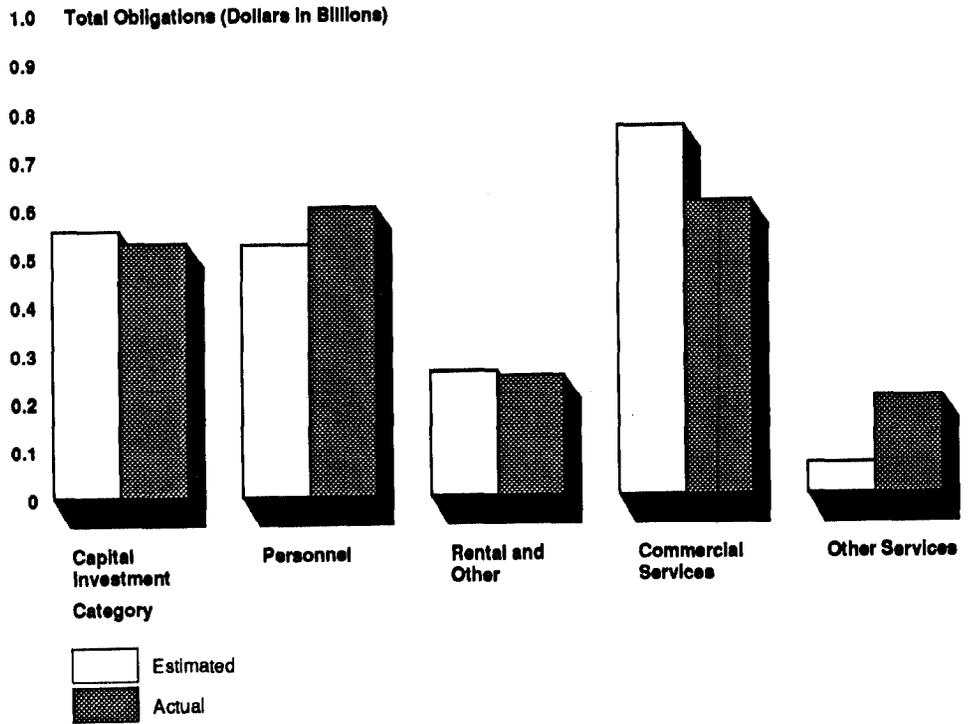
Figure IV.2: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1987 by Appropriation Account



Estimated fiscal year 1987 obligations are from the fiscal year 1987 report on information technology obligations. Actual fiscal year 1987 obligations are from the amended fiscal year 1988/1989 report on information technology obligations.

Other accounts include Operation and Maintenance, Navy Reserve; Military Personnel, Navy; Military Construction, Navy; and Family Housing, Navy.

Figure IV.3: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1987 by Category



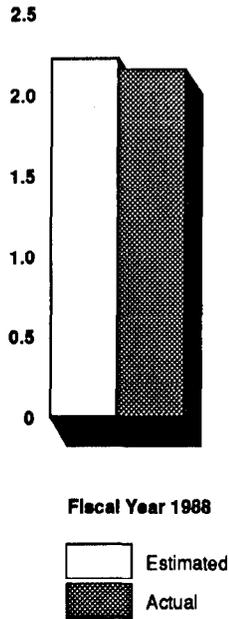
Estimated fiscal year 1987 obligations are from the fiscal year 1987 report on information technology obligations. Actual fiscal year 1987 obligations are from the amended fiscal year 1988/1989 report on information technology obligations.

Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

Fiscal Year 1988 Obligations

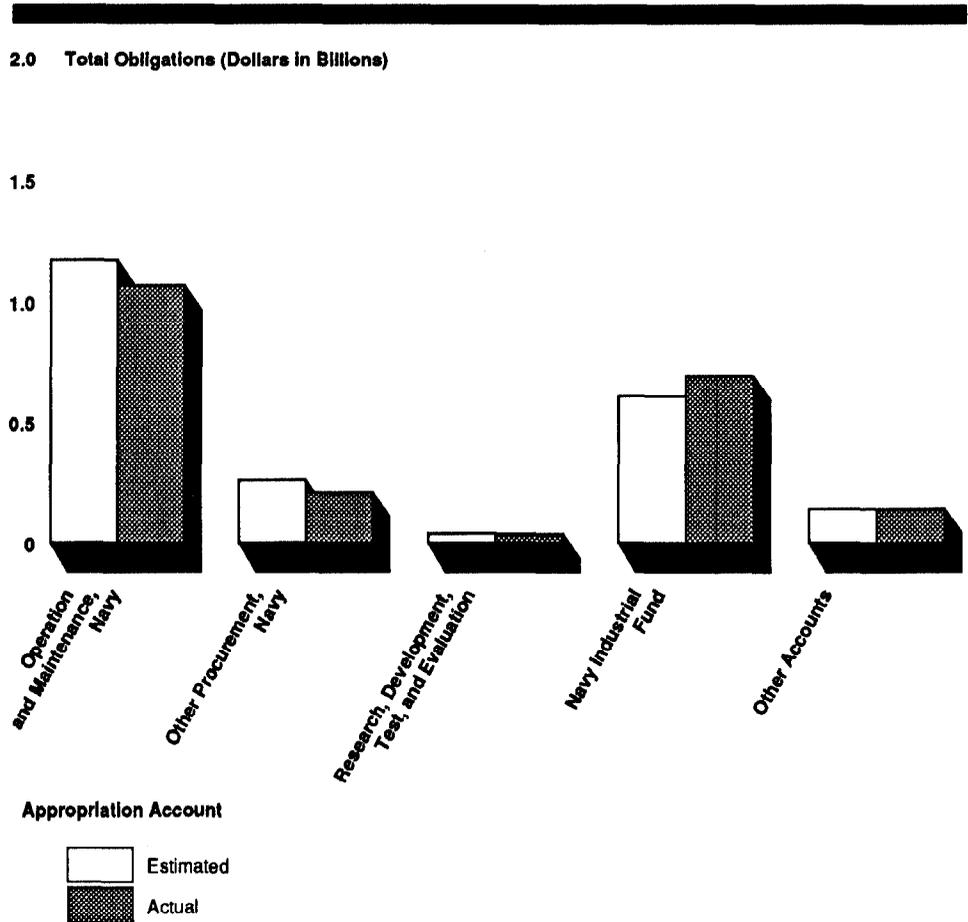
Figure V.1: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1988

3.0 Total Obligations (Dollars in Billions)



Estimated fiscal year 1988 obligations are from the fiscal year 1988/1989 report on information technology obligations. Actual fiscal year 1988 obligations are from the fiscal year 1990/1991 report on information technology obligations.

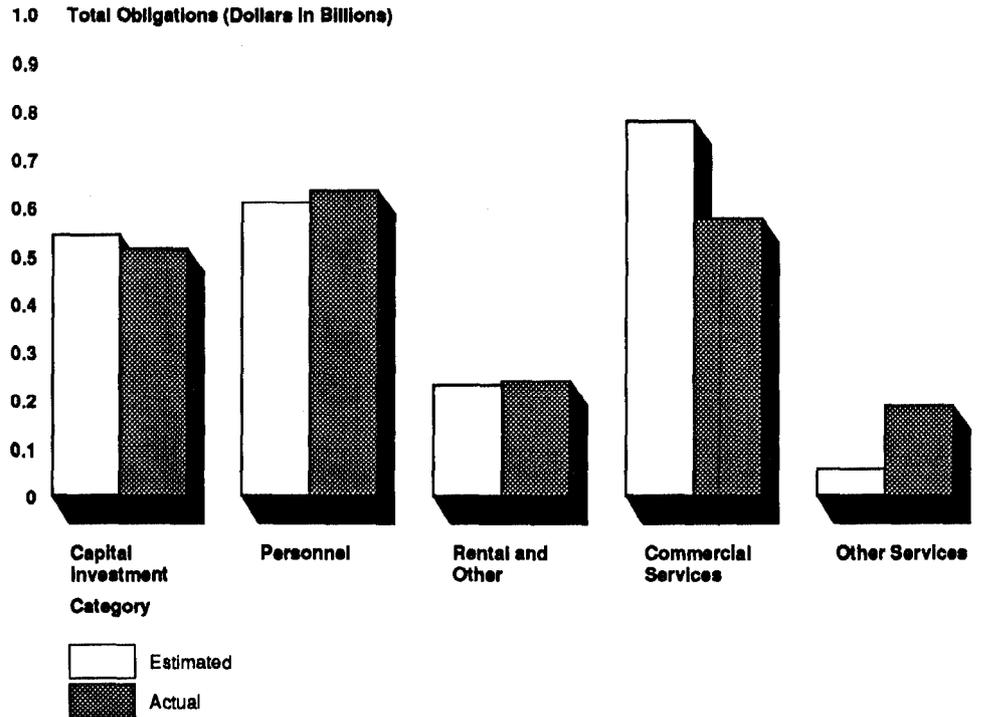
Figure V.2: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1988 by Appropriation Account



Estimated fiscal year 1988 obligations are from the fiscal year 1988/1989 report on information technology obligations. Actual fiscal year 1988 obligations are from the fiscal year 1990/1991 report on information technology obligations.

Other accounts include Operation and Maintenance, Navy Reserve; Military Personnel, Navy; Military Construction, Navy; and Family Housing, Navy.

Figure V.3: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1988 by Category



Estimated fiscal year 1988 obligations are from the fiscal year 1988/1989 report on information technology obligations. Actual fiscal year 1988 obligations are from the fiscal year 1990/1991 report on information technology obligations.

Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

Information Technology Obligations

Dollars in thousands

	Fiscal Year						
	1986 Actual	1987 Estimate	1987 Actual	1988 Estimate	1988 Actual	1989 Estimate	1990 Estimate
Capital Investment	520,823	544,379	529,407	543,278	514,607	434,695	433,310
Personnel	558,622	525,255	601,444	610,372	634,816	666,935	677,893
Rental and Other	266,179	259,833	250,350	231,488	239,059	230,434	241,565
Equipment Leases	119,973	102,319	78,382	62,843	61,829	39,333	33,415
Space Leases	4,670	9,567	5,367	6,471	5,805	7,759	8,166
Supplies	141,536	147,947	166,601	162,174	171,425	183,342	199,984
Commercial Services	655,298	766,283	609,144	780,276	577,454	619,012	686,078
Interagency Services							
Payments	69,169	62,659	112,784	78,510	81,667	99,028	90,858
Collection	(2,232)	(5,058)	(7,563)	(2,442)	(23,456)	(21,103)	(23,976)
Difference	66,937	57,601	105,221	76,068	58,211	77,925	66,882
Intra-Navy Services							
Payments	270,760	288,578	420,900	302,875	407,445	414,701	399,312
Collections	(256,197)	(222,584)	(284,187)	(279,882)	(249,969)	(238,293)	(255,784)
Difference	14,563	65,994	136,713	22,993	157,476	176,408	143,528
Other Services							
Payments	2,549	1,884	3,616	4,170	4,986	1,825	2,728
Collections	(47,984)	(62,941)	(40,280)	(48,480)	(33,448)	(36,096)	(33,787)
Difference	(45,435)	(61,057)	(36,664)	(44,310)	(28,462)	(34,271)	(31,059)
Total Obligations^a	2,036,987	2,158,288	2,195,615	2,220,165	2,153,161	2,171,138	2,218,197
Operation and Maintenance, Navy	1,065,236	1,132,947	1,183,964	1,169,500	1,069,271	1,076,109	1,128,135
Other Procurement, Navy	230,470	243,525	237,221	259,487	210,418	169,011	182,704
Research, Development, Test, and Evaluation, Navy	38,744	55,295	35,852	39,180	35,902	33,998	42,499
Navy Industrial Fund	557,960	584,599	583,090	608,689	694,209	735,971	713,431
Other Appropriation Accounts	144,577	141,922	155,488	143,309	143,361	156,049	151,428

^aColumns may not add due to rounding.

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